

Montana Coal Board
Meeting Minutes
June 16, 2016
Hampton Hotel, Billings, MT

Board Members Present

Chairman John Williams, Tim Schaff, Veronica Small-Eastman, and Jed Fitch.

Montana Department of Commerce Staff Present

Melinda Cummings, Coal Board Administrative Officer and Amy Peck, Administrative Assistant, and Grants Bureau Chief Jennifer Olson on conference call.

Public present:

Jim Atchison	SEMDC
George Real Bird III	Big Horn County
Bill Hodges	Big Horn County Hospital
Kathie Bailey	Snowy Mtn. Development Corp
Nicole M. Borner	Musselshell County
Thomas M. Stockert	Musselshell County
Kurt Markegard	City of Laurel
Chad Sealey	Roundup Schools
Dennis Gerke	Hardin Schools
Dianne Lehm	Big Sky Economic Development
Ed Voiner	Rosebud County
Russell W. Dill	City of Hardin
Heidi Jensen	City of Laurel
Becky Bey	KLJ Engineering
Gordon Bean	KLJ Engineering
Theresa Doumitt	ATW Consulting
Crystal Bennett	Great West Engineering
Dennis Kopitzki	City of Forsyth
Bryan W. Adolph	Musselshell County
Jack Lane	City of Hardin
Donna Marsh	MCCOA
Brenda Vescovi	MCCOA
Pat Zent	City of Forsyth
Jolene Verlanic	City of Colstrip
Kristie Getrell	
Frances Pretty Paint	
Brenda Pretty Paint	
Jim Real Bird	
Doris Limberhand	
Matt Redden	

Welcome – Call to order

Chairman Williams called to order the meeting of the Montana Coal Board at 8:36 a.m.

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Roll call:

Ms. Cummings called the roll for board members. The following board members were present: Chairman John Williams, Tim Schaff, Veronica Small-Eastman, and Jed Fitch.

Absent are Vice-Chair CJ Stewart, Dan Miles, and Ralph Lenhart.

Opportunity for Public Comment

- Chairman Williams, welcome to all. We ask each applicant to limit their presentations to 15 minutes due to the large volume of applications. Also, we will go through all applications first before we make any awards.
- Kathie Bailey – SMDC, the Montana Coal Board is the best program the Department of Commerce has and we appreciate the Board.
- Jennifer Olson – (on conference call) Grants Bureau Chief, Community Development Division, good morning to all.
- June Beartusk – Northern Cheyenne Ministerial, we request to move up on the agenda due to Tribal Council commitments.
- Chad Sealey – Superintendent for Roundup Schools, thank you to the Board. We have brought pictures of the before and after of the high school project. It has been very successful, a state of the art project. The Elementary school is on pace to finish August 19th.
- Brian Johnson – Collaborative Architects, thank you on behalf of Collaborative Architects. These community projects mean so much to Roundup. The influence has far reaching effects and is a big deal for both teachers and kids.
- Jim Atchison – SEMDC, invited all to the 13th Annual Energy Open Tournament in August. (handouts)
- Thomas Stockert – Musselshell County Road Department, thank you for all the help through the years.

Approval of Minutes (March 16, 2016)

Action by the Board: Mr. Schaff made a motion to approve the minutes. Ms. Small-Eastman seconded. Motion passed.

Budget & Financial Report

	<u>July '16 – June '17</u>	<u>Contingent</u>	<u>Total</u>
• Money appropriated for the 2017 Biennia:	\$2,555,267	\$948,668	\$3,503,935
• Coal Board funds awarded thus far:	\$ 0	\$ 0	\$ 0
• Balance of available funds:	<u>\$ 2,555,267</u>	<u>\$948,667</u>	<u>\$3,503,935</u>

	<u>July '15 – June '16</u>	<u>Contingent</u>	<u>Total</u>
➤ Money appropriated for the 2017 Biennia:	\$ 2,463,539	\$996,949	\$3,460,488
➤ Coal Board funds awarded so far:	<u>\$ 2,463,539</u>	<u>\$ 0</u>	<u>\$2,463,539</u>
➤ Balance of available funds:	<u>\$ 0</u>	<u>\$996,949</u>	<u>\$ 996,949</u>

Total available: \$5,018,806 \$1,945,617 \$6,964,423

- Jennifer Olson – the memo dated June 3, 2015 from Director O'Leary is available online. It is still relevant until June 30, 2017. Page 2 of the memo is particularly important as the Board considers and award applications today and through the rest of the biennium. For the past fiscal year which ends June 30, 2016, the Board has awarded all funds of \$2,463,539. \$996,949 is contingent funds that the

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Board could award and the Department of Commerce would not enter into a contract with a grantee until after the 2017 Legislative session. If those contingent funds are not awarded in the 2016 fiscal year, those funds could still be added to the next contingent funds and awarded for the remainder of the biennium. \$2,555,267 is available and can be awarded today and contracted and those projects can be expended. Any projects awarded beyond that amount will need to be identified as contingent projects. No expenditure of funds that can be reimbursed until the supplemental appropriations in HB 3 has been signed into law if the legislative body passes HB 3. Any costs incurred on contingent funded projects will be the responsibility of the grantee if HB 3 is not passed.

- Chairman Williams – it is important for the Board to recognize that \$2.5 million is available now. Also, we don't want to lose \$1.9 million in contingent funds as those monies will go away if not used.

Project Updates

- Number of projects awarded since the beginning of the 2017 Biennia: **12**
- All of these projects have fully executed contracts
- There are currently 19 open contracts.
- There is a request from the Town of Lodge Grass (#0742) to extend their contract to December 31, 2017.

Action by the Board: Mr. Schaff made a motion to extend the contract. Ms. Small-Eastman seconded. Motion passed.

New Business

Application #0796 Hardin Schools – Track Repair and Resurfacing

- The applicant is requesting \$291,400 to repair and resurface the running track.
- Dennis Gherky – Superintendent of Hardin Public Schools, thank you for this opportunity. We have brought handouts of the requested information from the Staff Report. (handouts) The track is located across the street from the school and is used by everyone. It is very well lit but until it is repaired, no meets can be held there although practice is still held there.
- **Questions and comments from the Board:** the Board always looks at local effort involved. Mills have declined. You have been unable to pass spending authority. Statute requires that local effort be made in support of the project.
- Dennis Gherky – it is my second year as superintendent and I have chosen not to go the taxpayers for a mill levy or bond. We are committed to funding 31% of the cost of this project through our impact funding.
- **Questions and comments from the Board:** critical of the community for not being willing to support the project. We do want to support the kids and the school.

Action by the Board: Mr. Schaff made a motion to fund this project as a project for contingency funds. Ms. Small-Eastman seconded. Motion passed.

Application #0797 Big Horn Hospital Association – Roof Repair & Skylight Replacement

- The applicant is requesting \$127,500 to repair the roof and to replace five skylights at the Heritage Acres Long Term Care Facility.
- Bill Hodges – the hospital was able to submit an insurance claim and have been paid on the damage to

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the roof so the requested amount has been amended to \$24,170. This amount will be for engineering fees and flashing costs. All pre-construction work has been completed and we are hoping to have the project finished by August.

- **Questions and comments from the Board** – what are your mill rates?
- Sidney Fitzpatrick – County Commissioner, we have three coal mines in our county. The county is putting money into the project and desires to keep the mills low.
- **Questions and comments from the Board** – indebtedness is what shows local effort and is part of the statutes the Board must follow. The mills must be on the application.
- Bill Hodges – we will get those for the Board today.

Action by the Board: Mr. Fitch made a motion to fully fund this project at the amended amount of \$24,170. Mr. Schaff seconded. Motion passed.

Application #0798 City of Colstrip – Develop an Economic Diversification Plan

- The applicant is requesting \$25,000 to assist Colstrip in developing an economic diversification strategy.
- Jim Atchison – SEMDC, the City has known that it needs to diversify and received community input in November when Senator Ankney held two town hall meetings.
- Julie Eamons – SEMDC, this request is a result of the community's involvement and concerns. There are 750 jobs at risk at a minimum due to the war on coal. 400 jobs have already been lost in the area. The community is trying to be proactive to create sustainability.
- Jolene Verlanic – City Commission, the community is hoping and looking forward to developing diversification and to move forward.

Action by the Board: Mr. Fitch made a motion to fully fund this project. Mr. Schaff seconded. Motion passed.

Application #0799 City of Colstrip – Zone 3 Water Storage Tank

- The applicant is requesting \$138,000 to replace a water storage tank.
- Brian Swan – Public Works Director for City of Colstrip, this project is under DEQ review and we hope to begin soon. Findings from DEQ have brought to light additional problems that could cost the City additional money. The total cost will be 2.2 million. \$138,000 is half of the engineering cost. The population is decreasing and a larger burden will rest on those with fixed incomes.
- Jolene Verlanic – plant construction was the main focus by Montana Power; the City's infrastructure needs and maintenance was minimal. Mills have been increased by 40% over the last ten years to pay for the necessary repairs thus far that the City assumed after 1998.
- Doug Whitney – KLJ Engineering, the City did a Master Plan a number of years ago. Storage was originally built for 8500 or more people but now there are just 2600 people. The water quality has been compromised. Tank 3 is 60% oversized and leaking. This project will correct a number of problems.
- **Questions and comments from the Board** – what change has there been to the City's user fees? These fees will be used to fund 90% of the project is that right?
- Brian Swan – the fees have been raised twice in the past three years. The City has been playing catch up and will continue to raise the fees to meet the needs. Mills will also be raised.
- Jim Atchison – there is great public support for this project.

Action by the Board: Mr. Schaff made a motion to fully fund this project. Mr. Fitch seconded. Motion passed.

Application #0800 City of Hardin – Landfill Compactor Purchase

- The applicant is requesting \$357,500 to purchase a landfill compactor.
- Jack Lane – Mayor of Hardin, this landfill serves Hardin, St. Xavier, Fort Smith, and Crow and Northern Cheyenne Tribes; approximately 20,000 people. Geography and soil composition take a toll on the

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current equipment. This piece is essential.

- **Questions and comments from the Board** – in the Revenue report for the landfill, how does it work? Are there any funds in reserve? What are the mills; is the millage separate for operation or is it out of the General Fund? Do you have user fees from other cities?
- Russell Dill – Superintendent of Public Works, we collect tipping fees and for coal ash from the Mine as well as other fees. Residents within the City do not pay tipping fees; other fees are contracted through the County. Additional funds will come from asset depreciation.
- Jack Lane – the City is at its maximum for mills.

Action by the Board: Mr. Fitch made a motion to fully fund this project. Mr. Schaff seconded. Motion passed.

- **Questions and comments from the Board** – what would a delay do to this project if award contingency funds? Is the power plant still behind on its payment? Which communities are served by the landfill?
- Russell Gill – we have a deadline for the purchase price on the compactor and we have a repurchase process in place for the current compactor. The power plant has paid some money on the debt. The City was only able to hold back in reserve \$350,000 but the equipment purchase is double that amount. The communities served by the landfill are Hardin, Rosebud County, Northern Cheyenne Tribe, Big Horn County, St. Xavier, Fort Smith, and the Crow Reservation; close to 20,000 in population.
- **Questions and comments from the Board** – question for Mr. Real Bird; is the Crow Tribe having discussions with Big Horn County regarding this landfill? For the City, can the clay loam type soil be changed?
- George Real Bird – Big Horn County operates a solid waste program on the reservation with transfer sites in Wyola and Lodge Grass and 6 communities on the reservation along with two sites off the reservation. All this solid waste goes to Hardin landfill.
- Russell Dill – the soil cannot be changed. Specialists came from Germany to study the soil and the challenges it presents. Because of this type of soil, we need to manage the solid waste from the top down with our equipment which is unusual. This new equipment will help us be more efficient and to extend the life of the landfill.

Action by the Board: Ms. Small-Eastman made an amendment motion to fund \$200,000 for this project. Mr. Schaff seconded. Motion failed.

Action by the Board: Mr. Fitch motioned to amend the main motion to fully fund with contingency funds. Ms. Small-Eastman seconded. Motion passed.

Application #0801 Big Horn County – PAR for new Detention Facility

- The applicant is requesting \$45,000 to conduct a preliminary architectural review (PAR) assessing the construction of a new detention facility.
- Sidney Fitzpatrick – County Commissioner, we are clarifying our mills; in 2013 the mills were 69.48, in 2014/2015 they were 70 plus. We are maxed out in our mills. Bonds will be on the ballot in November to help cover the costs.
- **Questions and comments from the Board** – for the Undersheriff, most inmates are from the County? Are any prisoners from the Federal system or the State system? If you do have inmates from Federal or State, are your costs covered? What is the cost estimate for the project?
- Michael Fuchs – 80% of the inmate population are felonies, 20% are misdemeanors. At this time, only one is a state committed inmate, the rest are from the County. The daily cost received from the Department of Corrections for a state committed inmate does not cover the cost of housing that inmate and it is six months to one year before that inmate is picked up from the County. The Counties are being pushed to build expansions and house more state inmates.

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- Greg Benjamin – Stahly Engineering, the scope and budget is \$60,000 for the Preliminary Architectural Report with about \$8800 on top of that. The total cost is estimated at \$11 million.
- Sidney Fitzpatrick – this will be a remodel and expansion.

Action by the Board: Mr. Schaff made a motion to fully fund. Mr. Fitch seconded. Motion passed

Application #0802 Rosebud County – Construct new Thrift Store

- The applicant is requesting \$300,000 to construct a new building to house a community thrift store.
- Gerald Fritz – thank you for the opportunity. We have a PowerPoint presentation for the Board. Currently the store provides a central community service to a population of about 6,000 people. We have received \$57,000 in contributions from church members, \$28,000 from board donations, \$1888 from personal donations, \$3900 from patrons, and numerous others. The project is well underway.
- Dennis Bower - the resources are used for job training and employment. There will be a market for a cottage industries and we will have a work program that will be paid through 'Thrift Bucks' so that purchases can be made to support a family. We will provide all household needs.
- Sheldon King – Northern Cheyenne Tribal Council Member, 60% unemployment rate exists on the reservation, hunger is prevalent. The store is and will be beneficial.
- Debbie Bear Tusk Dove – we are aware of the coal challenges being experienced. The tribal members support the coal industry and this project.
- Sidney Fitzpatrick – two thirds of Northern Cheyenne reservation lies within Big Horn County and are my constituents. The County and the Board supports this project.
- **Questions and comments from the Board** – this is a project that is important to the community but it is a struggle to make it fit with the criteria. The local effort is to be applauded, you show genuine compassion. The CDBG program may be better suited to a project like this, have you applied or are you in contact with them? If this project is partially funded, will it kill the project? Encourage you to work with Jim Atchison at SEMDC.
- June Bear Tusk – Grant Writer, yes we are in contact with CDBG and are providing materials to them. \$100,000 - \$150,000 will be requested.
- Willis Busenitz – Chairman of N Cheyenne Ministerial Association, the project is underway. With the donations received so far, a fair bit of work has been accomplished. We have applied to the Murdoch Foundation for funding. We are committed to this project. People are donating time and equipment.
- Gerald Bower – Murdoch Foundation would like to see 60-65% of funding in place first.
- Ed Joiner – Rosebud County Commissioner, the boost to the economy can already be seen; it boosts the morale. The County supports the project.
- Ms. Small-Eastman – working as an educator in Lame Deer, we have called Pastor Dean when there is a need for clothing for the kids. I encourage Big Horn County to help support this project.

Action by the Board: Ms. Small-Eastman made a motion to fully fund. Mr. Schaff seconded. Motion passed.

Old Business

Applications previously addressed that have requested reconsideration or that were tabled.

Application #0775 City of Forsyth – Sewer Cleaner Truck

- The applicant is requesting \$150,000 to match a contribution of \$180,000 from the City of Forsyth to purchase a new sewer vacuum truck.
- Dennis Kopitzki - Mayor of Forsyth, the request to the Board has been reduced to \$110,000. Thank you for the previous awards; we have made good use of them.

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- Jim Atchison – SEMDC, this sewer truck purchase is listed on the Infrastructure Needs Report. 44 jobs with the railroad have transferred out of the City.

Action by the Board: Ms. Small-Eastman made a motion to table this application. There was no second. Motion died.

Action by the Board: Mr. Schaff made a motion to fund at \$110,000. Mr. Fitch seconded. Motion passed.

Application #0776 Lockwood School District

- Withdrawn

Application #0781 Musselshell County – Social Services Facility in Roundup, MT

- The applicant is requesting \$500,000 to construct a new facility to house numerous Social Services.
- Bryan Adolf – County Commissioner, we are trying to trade some land the County has with the School District for that building.
- Nicole Boerner – County Commissioner, there is a lot of community support for this project. All the current buildings are dilapidated. The County has saved \$490,000 towards this project. We are always seeking other funding sources as well.
- Kathie Bailey – SMDC, this project is a high priority. Signal Peak laid-off 56 people and another 14 through attrition. There are safety concerns for the elderly residents who use the current Senior Center.
- Chad Sealey – Superintendent of Roundup Schools, we are working with the County to work out a plan regarding the old school building in a sale or trade.
- **Questions and comments from the Board** – the school facilities may no longer be an option if not funded? Where are the rest of the funding sources? What's the timeframe for those other sources? If recognized as a contingency project will that work?
- Kathie Bailey – the community has no other resources to complete the project if it is not funded. The County cannot take on the school building in a sale or trade if there is no funding to rehab the building.
- Theresa Doumitt – ATW Consulting and Grant Writer for the Hospital. We are in full support for this project and providing such needed services for seniors and veterans.
- Nicole Boerner – other funding sources will be pursued such as CDBG and USDA.
- Kathie Bailey – CDBG applications are due soon and it will be unlikely we will ask for those until next year; it is highly competitive and social services aren't a high priority. Signal Peak has a fund source we might use. And while I understand the strategy for the contingency award, a delay will probably kill it as it is all falling together now.

Action by the Board: Mr. Schaff made a motion to fully fund \$500,000. Chairman Williams seconded. Mr. Fitch made an amendment to the motion to fund \$350,000. Chairman Williams seconded.

- **Questions and comments from the Board** – if passed as amended, will it kill the project?
- Bryan Adolf – County Commissioner, it could. We are still in negotiation but this will make it much tougher. This all started in 2011 and the County usually comes to the Board with no match but we now come with some matching funds. Our coal proceeds will decline every year. I don't think the County can come up with another \$150,000.

Action by the Board: Mr. Fitch withdrew the amendment to fund \$350,000. Ms. Small-Eastman made a motion to fund \$100,000. Mr. Fitch seconded. Motion failed.

Action by the Board: Back to motion to fully fund made by Mr. Schaff and seconded by Chairman Williams. Motion passed.

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Application #0784 Big Horn County – Hardin High School Pavement Replacement

- Sidney Fitzpatrick – County Commissioner, the County, the school and the City are all part of the project.
- Russell Dill – this is in front of the High School, with the Middle School nearby. It is important to have safe roads and accessibility.
- **Questions and comments from the Board** – this road accesses the Mine not just the school; and it's not a main access for the Mine? Big Horn County committed \$10,000 and the School District may match but has not? Who does the street belong to?
- Greg Benjamin – Stahly Engineering, the road is just part of the street system. At the time of application the School District had not committed funds.
- Russell Dill – the City has committed \$50,000.
- Dennis Gherke – Hardin Schools, the School District has not yet had board action to partnering with the City but we do support the project.
- Jack Lane – Mayor of Hardin, at the time of application there was no money but we have since scraped some together.
- Russell Dill – we have asked the School for some help because the street is not a standard 60' wide but 80' wide to accommodate parking for the school and buses etc.

Action by the Board: Ms. Small-Eastman made a motion to table this application. Mr. Fitch seconded. Motion passed.

Application #0785 Big Horn County – Lodge Grass School Hill Street Improvements

- The applicant is requesting \$203,280 to make improvements to the Lodge Grass School Hill Road.
- Matt Redden – Superintendent Big Horn County Road Dept., this road is utilized by miners to and from residential area. The road gets slick in winter. Part of the road was improved further up the road but we were not able to get to this part of the road.
- Ms. Small-Eastman – this has always been a scary road. The buses use it every day. Improvements are so needed such as gutters and sidewalks to improve safety. Over 200 families live in that area. The cemetery is located up there too.
- **Questions and comments from the Board** – how will this be funded?
- Sidney Fitzpatrick – Coal Royalty funds will be used.

Action by the Board: Ms. Small-Eastman made a motion to fully fund this application. Mr. Fitch seconded. Motion passed.

Application #0786 Big Horn County – Road and Fire Department Vehicle Replacement

- The applicant is requesting \$197,510 to purchase two new water tender trucks.
- Matt Redden – these trucks will be initial attack vehicles for fires whether houses, grass fires, or at the Mine.
- **Questions and comments from the Board** – 38% of the remaining cost will come from where? Will they be used by the Fire Department and the Road Department? If only one vehicle is funded, will the help?
- Matt Redden – the additional funding will come from the County and these will be used by the Fire Department. We really prefer to purchase both vehicles together so that they can be the exact same model which allows us to set them up the same.
- Sidney Fitzpatrick – these vehicles will also cover rural structure fires in Crow Agency, Pryor, Wyola, etc. These are all we have to rely on.

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Action by the Board: Mr. Schaff made a motion to fully fund this application. Ms. Small-Eastman seconded. Motion passed.

Application #0787 Crow Tribe of Indians – Phase 3c Wastewater Collection System

- The applicant is requesting \$200,000 to replace 6,720' of failing wastewater mains and replace and relocate the East Frontage Lift Station.
- Jim Real Bird – Absaloka Water and Wastewater Board Member, there have been some changes to the application.
- Lori Benner – Nittany Grant Works, there was a \$200,000 shortfall originally but now the Crow Tribe is proposing a match of \$200,000. This is a high priority project and the Crow Tribe's only application. We are hoping to start design this fall. Currently working on fundraising to help decrease the Tribe's match.
- **Questions and comments from the Board** – have other funds been secured?
- Lori Benner – 25% of the funds have been secured. RRGL funds and the Indian Community Block Grant Funds have been applied for. If we receive these funds, this would help us to leverage other funds better.

Action by the Board: Mr. Fitch made a motion to fully fund this application. Mr. Schaff seconded. Motion passed.

Application #0789 Lodge Grass Public Schools – Football Field and Track Reconstruction

- The applicant is requesting \$410,269 to repair the field and track deficiencies.
- 1st Sergeant Chargualaf – last year all home games were cancelled. The Tribe has started the excavating on this project; we will need to finish it.
- Dax Simek – M-M Engineering, in the bidding process for the field. To get sod established and be ready for football in the fall, we need to get excavation completed.
- **Questions and comments from the Board** – how much is the track portion of this project?
- Dax Simek – the track is \$500,000 of the total project.
- **Questions and comments from the Board** – question for the Lodge Grass Principal, is Phase I for the football field and Phase 2 would be the track repairs? Will the Crow Tribe be contributing to the completion of the project? What amount is needed to address just the football field?
- Curtis Brien – Lodge Grass Principal, hoping to be able to have a football season this year as last year, all home games had to be cancelled, so we want to get the football field ready.
- 1st Sergeant Chargualaf – I will follow up with the Tribe. We need about \$173,000 for just the field itself.

Action by the Board: Ms. Small-Eastman made a motion to fund \$175,000 for this application. Mr. Fitch seconded. Motion passed.

Application #0790 Broadview Fire District – Fire Hall Addition and Renovation

Action by the Board: Mr. Schaff made a motion to remove this application from the table. Mr. Fitch seconded. Motion passed.

- The applicant is requesting \$125,000 to fund administrative, design, and construction cost associated with this project.
- Dianne Lehm – Big Sky Economic Development, this project seeks to expand the fire house to house fire tender equipment.
- **Questions and comments from the Board** – when this application was originally submitted a \$51,000 USDA grant was going to be applied for? Have new plans been drawn besides the hand drawn ones?

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- Dianne Lehm – I am not sure if they will apply for the USDA grant. This project is not eligible for a CDBG-ED grant.

Action by the Board: Mr. Schaff made a motion to fund \$60,000 for this application. Mr. Fitch seconded. Motion passed.

Application #0791 Big Sky Economic Development Authority – Coal Country Region Plan

Action by the Board: Mr. Schaff made a motion to remove this application from the table. Mr. Fitch seconded. Motion passed.

- Jim Atchison – SEMDC, we formally withdraw this application.

Application #0792 City of Laurel – Water Treatment Project

- The applicant is requesting \$500,000 for a water treatment project.
- Heidi Jensen – City Administrator, we have a letter that states the reason for the revision to our original application of \$250,000. We are now required by the Army Corps of Engineers to remove the 1950's intake. (handouts) (Provides a review of revisions in the packet) Mainly want to clarify that there is not \$18 million in assets and why General Funds cannot be used. There is \$3 million in our reserves which are allocated for another project that is set to run concurrently with this one. Our reserves are less than \$1 million; this is not much in reserve as we need to anticipate emergencies. Our rates have been increased progressively.
- **Questions and comments from the Board** – what is the total cost? How is this project connected to coal development?
- Heidi Jensen – the total cost is \$12 million including money the City has already put in to the project.
- Kurt Markegard – City of Laurel, the city was founded as a railroad switch yard that supported coal. There have been lay-offs there. Coal trains come through still but they are declining. CHS Refinery gets 60% of power from Colstrip and it gets 60% of its water from Laurel. We had a line failure last night that will need to be repaired and that made it impossible to provide water to the refinery.
- **Questions and comments from the Board** – every city in our state benefits from coal development and power but not all are negatively impacted by producing it. The staff reviewer mentioned you do not receive money from the Coal Gross Proceeds Tax but that you have \$18.6 million in Water Enterprise Fund?
- Kurt Markegard – the \$18 million was our total infrastructure assets that Heidi clarified with the handouts. We have \$3 million in reserves of which \$2.5 million is allocated to the sedimentation basins project which began in 2009 with anticipation of receiving a TSEP grant. We saved and budgeted to have \$1 million towards that project. Then we had the flood.

Action by the Board: Mr. Schaff made a motion to fully fund this application. Mr. Fitch seconded. Motion failed.

Application #0793 Northern Cheyenne Utility Commission – Upgrade Accounting Software

- The applicant is requesting \$45,710 to upgrade their accounting software.
- Etheline Spain – Accounting Clerk, the system being used now doesn't allow us to what we need to do. We had an audit finding. Parts of our support team are in Kentucky and Texas so this software will let us integrate and be more efficient.
- Doris Linberhand – I have worked with NCUC with policy revision and staff education. I helped them prepare for the audit. This software, Black Mountain, was recommended by the audit company. Other

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small town municipalities use it as well. It will allow us to integrate and generate the reports we need.

- Ed Joiner – Rosebud County Commissioner, we have provided a support letter. Our county uses Black Mountain software system.
- Sheldon King – Northern Cheyenne Tribal Council Member, the funding for utility commission has been declining but they have always been there for the community for every emergency even if it means then putting off projects like this.

Action by the Board: Ms. Small-Eastman made a motion to fully fund this application. Mr. Schaff seconded. Motion passed.

Application #0794 Rosebud School District – Upgrade Fire Alarm System


- Withdrawn

Board Matters

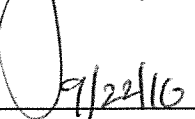
- Next meeting will be held September 22, 2016 in Billings, Montana.

Adjournment:

With no other business, a motion was made by Mr. Schaff to adjourn the meeting. Ms. Small-Eastman seconded. The meeting was adjourned by Chairman Williams at 3:00 p.m. The next meeting is scheduled for September 21, 2016 in Billings, Montana.



John Williams, Board Chair



Date